

REF 7173

EG&G ROCKY FLATS

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January 7, 1991

90-RF-7173

Robert M. Nelson, Jr.
Manager
DOE RFP

JUSTIFICATION FOR WATER MANAGEMENT INITIATIVES

EG&G has worked closely with your staff in development of water management plans to restore public confidence in the safety of local drinking water supplies and comply with the Agreement In Principle. We are proud of the progress achieved through our cooperative efforts. The group assembled by Representative Skaggs to evaluate options for final disposition of Rocky Flats water was in total agreement that current discharges are completely safe and in compliance with State of Colorado new site specific limits. However, it was also made quite clear that complete separation of drinking water supplies from Rocky Flats surface water discharges was the only approach acceptable to the local cities. We, therefore, understand the initiative taken by DOE in agreeing to implement the "Option B" approach that had been a lead alternative proposed by the cities. We also understand that the overall estimated cost for the projects was developed by the cities and was authorized in Congressional language authored by both Representative Skaggs and Senator Wirth.

We, and our consultants, were directed by your staff to evaluate the engineering components that form Option B to ensure that costs are fully justifiable and defensible. In general, specific details of the proposed project are insufficiently defined. A much greater level of detail will be necessary if customary project management rules apply to this action. Details of typical project justification and documentation are identified in DOE Order 4700.1, Project Management System. If the normal requirements for major projects do not apply to this action, we expect that it may be prudent to use this as guidance for a management framework to justify and document this project. Beyond project justification, we are concerned about the validity of claims and the accuracy of projected costs. Preliminary data generated by our consultants are seriously inconsistent with costs that are being presented by the cities. Observed deficiencies include:

- Optimistic estimates of the existing Great Western Reservoir (GWR) Safe Yield.
- Redundant project components (i.e., supplementary storage facilities).
- The cost of required repairs to GWR were ignored in calculation of estimated replacement value.
- Potential additional value of imported water (second use of Windy Gap water vs. maintenance of historical consumption of existing rights).

DOCUMENT CLASSIFICATION
REVIEW WAIVER PER
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CLASSIFICATION:

CONFIDENTIAL	X
UNCLASSIFIED	X
CONFIDENTIAL	
SECRET	

THORIZED CLASSIFIED
SIGNATURE

Wm. H. Setlock
(W)

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REPLY TO LT/INO.

2 APPROVALS.

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Robert M. Nelson, Jr.

January 7, 1991

90-RF-7173

Page 2

Beyond these and other specific details, other issues exist. While it is customary to convey Windy Gap water to Boulder Reservoir via existing open ditches and canals, the Option B proposal includes a pipeline from Carter Lake to Broomfield. The proposal for construction of a pipeline from Carter Lake is not unique to this project. The Northern Colorado Water Conservancy District (NCWCD) had proposed as early as 1988 to provide an identical conveyance for reasons exclusive of Great Western water quality.

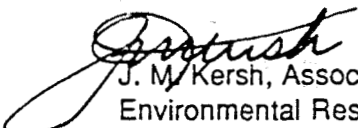
We remain concerned about both the propriety of the scope of this proposal and estimated costs of the components. This concern has been heightened by the termination of a recent meeting between our consultants and Broomfield officials without substantive discussion of components that had been on the agenda. The Broomfield officials indicated that the agreement by DOE was for a total dollar value and that further discussion of details were inappropriate. This development causes us grave concern. An analysis of cost issues has been completed and transmitted to your staff. However, this analysis is limited by our ability to understand particular project components, as previously described. The information is preliminary and is not sufficiently documented for offsite release. Regardless of the limitations, large discrepancies are apparent. At a minimum, we may not be able to support DOE's need to verify justifiability of costs.

In addition to the justification of costs for the project, the issue of water quality standards also requires reevaluation. The decision was made to comply with the new state site specific stream standards that were based on protection of drinking water supplies, despite successful efforts to divert surface water discharges around the reservoirs. Implementation of that decision has been very expensive. EG&G has spent millions of dollars to sample, analyze, and treat the water before discharge, and disposal of wastes generated by the treatment will add significantly to the costs and the plant solid waste problem. DOE headquarters personnel, who recently visited to discuss budget issues in detail, made it abundantly clear that we are required to work closely with the regulatory community when there are approaches that can conserve precious budget resources. The surface water limits represent one example of such an opportunity. The limits were based on protection of drinking water supplies and have no apparent justification if the discharges do not enter such a supply. It is recommended that DOE approach the Colorado Water Quality Control Commission to propose that appropriate stream standards be developed based on the actual downstream uses. This is not a relaxation of standards, but rather substitution of more relevant standards consistent with the proposed change in use of the water bodies. This approach would, therefore, merely reflect current realities and prevent discrimination against the federal government.

Robert M. Nelson, Jr.
January 7, 1991
90-RF-7173
Page 3

We are eager to continue our cooperative efforts to ensure proper environmental protection measures are in place and operational, and to engineer and implement justifiable upgrades. We also will continue to provide input for DOE decisions on careful allocation of public funds. This will include continued efforts with our consultants to analyze cost components of Option B within the limits imposed by termination of information exchange with one of the key cities.

Please contact Farrel Hobbs on extension 7006 if you wish to discuss details of our work to date.


J. M. Kersh, Associate General Manager
Environmental Restoration and Waste Management
EG&G Rocky Flats

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Orig. and 1 cc - R. M. Nelson, Jr.